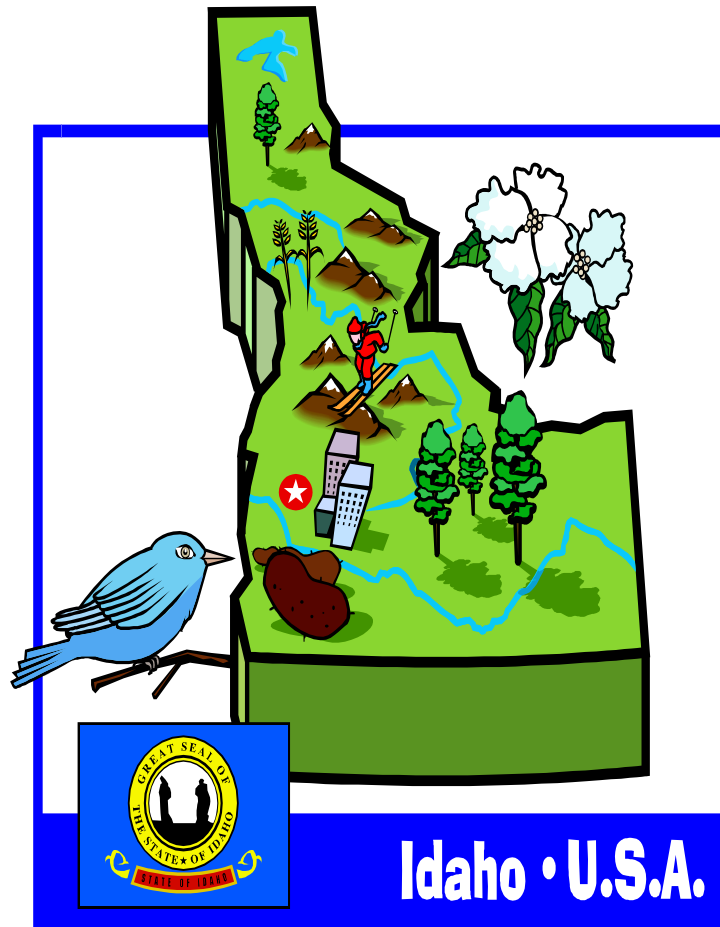


Idaho High Risk Reinsurance Pool



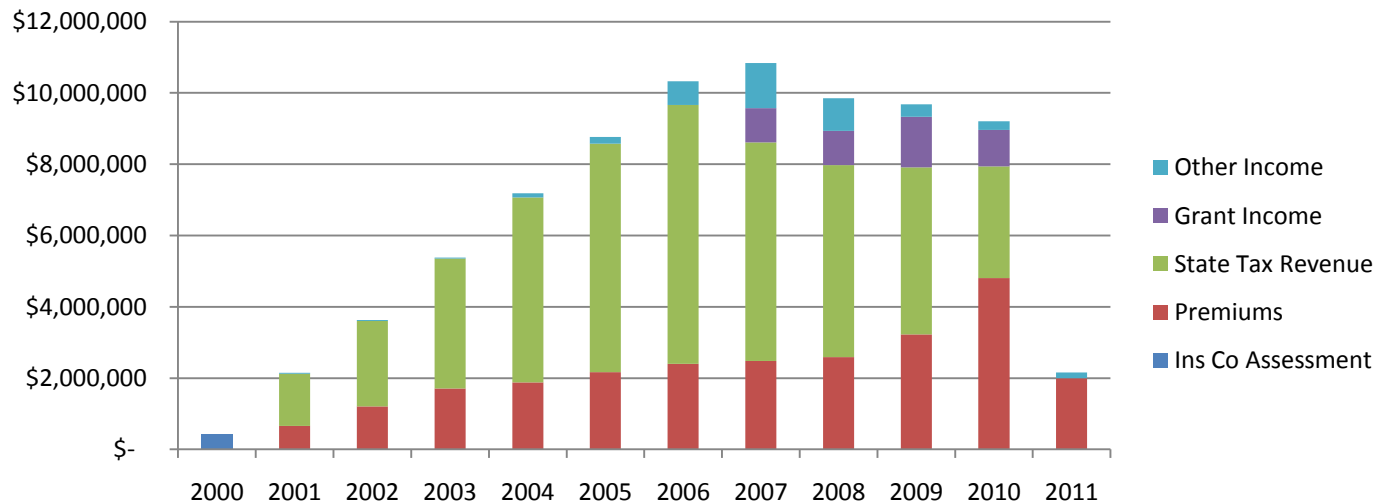
Created in 2000

- In an effort to bring about a more competitive market, and to make health insurance coverage available to Idaho residents not covered by employment-related insurance
- Receives funding from reinsurance premiums paid by carriers based on mandatory ceding of risks
- Funding also provided by a portion of the states premium tax revenue
- In addition, the High Risk Pool has received to date a total of \$4,374,936.00 in Grant Funds from the Federal Government.
- Additional losses could be covered by carrier assessments under Idaho Code Section 41-406(1)(d) and 41-5508

Funding History

2000-Present

	Ins Co Assessment	Premiums	State Tax Revenue	Grant Income	Other Income	Total funding
2000 \$	428,000	\$ -	\$ -	\$ -	\$ -	\$ 428,000
2001 \$	-	\$ 656,542	\$ 1,465,215	\$ -	\$ 30,986	\$ 2,152,743
2002 \$	-	\$ 1,210,004	\$ 2,388,850	\$ -	\$ 33,576	\$ 3,632,430
2003 \$	-	\$ 1,707,956	\$ 3,640,747	\$ -	\$ 31,379	\$ 5,380,082
2004 \$	-	\$ 1,881,220	\$ 5,190,602	\$ -	\$ 108,428	\$ 7,180,250
2005 \$	-	\$ 2,168,840	\$ 6,411,057	\$ -	\$ 186,279	\$ 8,766,176
2006 \$	-	\$ 2,400,891	\$ 7,263,736	\$ -	\$ 665,577	\$ 10,330,204
2007 \$	-	\$ 2,484,275	\$ 6,128,449	\$ 960,424	\$ 1,260,651	\$ 10,833,799
2008 \$	-	\$ 2,589,287	\$ 5,381,197	\$ 966,948	\$ 909,647	\$ 9,847,079
2009 \$	-	\$ 3,228,661	\$ 4,679,231	\$ 1,419,533	\$ 356,434	\$ 9,683,859
2010 \$	-	\$ 4,803,785	\$ 3,130,776	\$ 1,028,031	\$ 238,801	\$ 9,201,393
2011 \$	-	\$ 2,000,246	\$ -	\$ -	\$ 156,400	\$ 2,156,646



What are the HRP plans' benefits?

- The five plans have different levels of deductibles, coinsurance, out-of-pocket expense and lifetime maximum
- All plans except the HSA Compatible have a \$5,000 deductible for normal maternity (Normal maternity is not covered under the HSA Compatible)
- Most enrollment in Cat B and H S A Compatible Plans

Plan Benefits

Catastrophic B Plan

- \$1,000,000 lifetime maximum
- \$5,000 CY deductible
- Separate \$500 deductible for outpatient prescription drugs, benefits paid at 50%
- All other benefits paid at 80/20%
- \$10,000 out-of-pocket expense, excluding deductibles
- 40 year old male premium \$227.00/mth

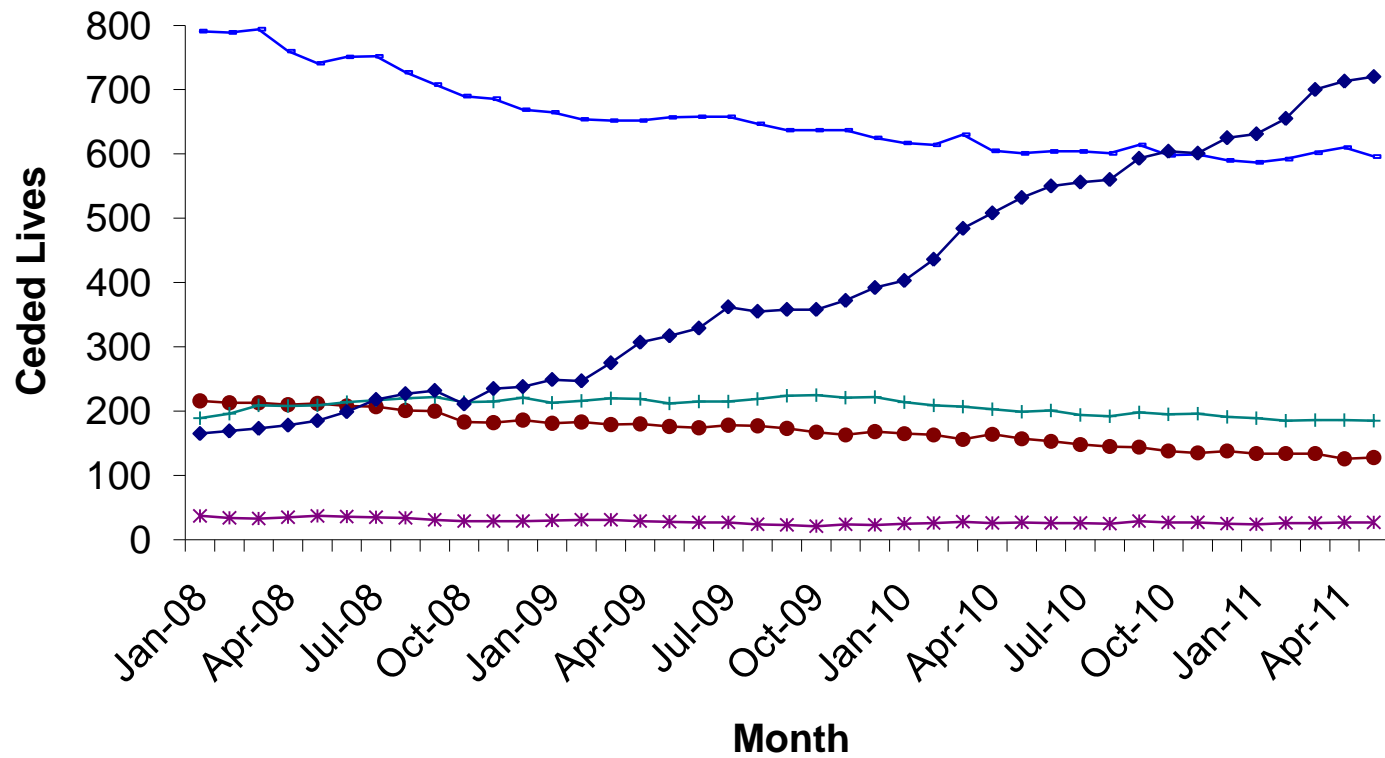
H S A Compatible Plan

- \$1,000,000 lifetime maximum
- \$3,000 individual/\$6,000 family CY deductible
- All benefits paid at 60/40%
- \$5,000 individual/\$10,000 family out-of-pocket expense, includes deductibles and coinsurance
- \$6,000 CY maximum on prescription drugs
- NO normal maternity benefits
- 40 year old male premium \$223.00/mth

High Risk Pool Enrollment

- 1656 enrolled in HRP plans as of May 2011
 - Basic – 27
 - Standard – 128
 - Catastrophic A – 185
 - Catastrophic B – 596
 - HSA Compatible – 720
- 8599 individuals have had HRP since January 2001.
- Idaho Enrollment in PCIP as of May 2011 - 47

Ceded Lives



* Basic ● Standard + Cat A □ Cat B ◆ HSA

Many children are enrolled in the High Risk Pool as family members as well as individuals.

The average number of children is between 200-250 every month, average child premium as a family member is \$173 and as an individual \$186.

Total Children	0-3	4-7	8-11	12-15	16-19	20-23	24-25	Total
HNB	0	0	1	1	0	1	4	7
HNS	1	1	6	5	5	9	1	28
HNCA	0	0	0	4	5	3	2	14
HNCB	9	5	4	8	11	26	7	70
HSANS	5	5	5	5	11	13	9	53
HSANF	0	2	7	18	13	13	3	56
HSS	0	0	0	0	0	0	0	0
HSCA	0	0	0	1	0	1	0	2
HSCB	0	0	0	0	0	0	1	1
HSASS	0	0	0	0	0	3	3	6
HSASF	1	1	2	2	0	0	0	6
Total Children in HRP	16	14	25	44	45	69	30	243

Currently Idaho has 142,063 children insured through Medicaid and 26,631 through CHIP.

**IDAHO INDIVIDUAL HIGH RISK
REINSURANCE POOL
Balance Sheet
as of 4/30/2011**

	<u>2011</u>	<u>2010</u>
Assets		
Cash/Investments (Note 1)	\$18,070,370	\$18,742,397
Assessment Receivable	0	0
Accrued Investment Interest Receivable	86,234	78,463
Allowance for Bad Debts	0	0
Premium Receivable	26,413	27,748
Grant Receivable	0	0
Claims Receivable	109,873	76,932
Penalty Receivable	16,276	0
Prepaid Expenses	5,707	5,333
<i>Total Assets</i>	<u>\$18,314,872</u>	<u>\$18,930,873</u>
Liabilities		
Accounts Payable (Note 2)	22,318	18,718
Claims Payable	348,726	645,848
IBNR Liability	2,525,000	1,300,000
Deferred Assessment Liability	0	0
Deferred State Tax Funds	15,963,688	18,234,495
Line of Credit	0	0
<i>Total Liabilities</i>	<u>18,859,732</u>	<u>20,199,061</u>
Fund Balance	<u>\$-544,860</u>	<u>\$-1,268,188</u>

**Statement of Revenues and Expenditures
For the 4 Months Ending April 30, 2011 and 2010
Total Member months 24950**

	<u>Current Month</u>	<u>YTD 2011</u>	<u>YTD 2010</u>	<u>Full Year 2011 Projected*</u>	<u>2011 YTD % of Projected</u>
Revenues					
Insurance Company Assessment	\$0	\$0	\$0		
Tax Revenue	\$0	\$0	\$0	\$2,160,000	0%
Premiums	507,100	2,000,246	1,590,596	6,171,000	32%
Grant Income	0	0	0		
Gain on Investments	76,450	57,984	7,134		
Penalty Income	0	0	11,151	349,000	45%
Interest Income	26,962	98,416	110,248		
<i>Total Income</i>	<u>610,512</u>	<u>2,156,646</u>	<u>1,719,129</u>	<u>8,680,000</u>	<u>25%</u>
<i>Total Income excluding Tax Revenue, Assessments and Grants</i>		2,156,646	1,719,129	6,520,000	33%
Expenditures					
Claims Incurred	342,942	2,600,152	2,887,700	16,362,000	16%
Change in IBNR	0	0	0		
Administration Fees	16,611	66,380	56,484		
Interest Expense	0	0	0		
Professional Fees (Note 3)	4,000	33,536	42,260	337,000	30%
Bank Charges	230	915	172		
Other Expenses	260	523	702		
<i>Total Expenses</i>	<u>364,043</u>	<u>2,701,506</u>	<u>2,987,317</u>	<u>16,699,000</u>	<u>16%</u>
<i>Revenues excluding Tax Revenue, Assessments and Grants in Excess of Expenditures</i>	246,468	-544,860	-1,268,188	-10,179,000	5%
Revenues in Excess of Expenditures/ (Expenditures in Excess of Revenues)	\$246,468	<u>\$-544,860</u>	<u>\$-1,268,188</u>	<u>\$-8,019,000</u>	<u>7%</u>
Fund Balance - Beginning		<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balance - Ending		<u>\$-544,860</u>	<u>\$-1,268,188</u>	<u>\$-8,019,000</u>	

* From Table 2 of 10/15/10 Milliman letter. Assumes 1% monthly growth in enrollment.